

FIRST REGULAR SESSION

SENATE BILL NO. 139

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAYER.

Pre-filed December 22, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

0510S.011

AN ACT

To repeal sections 163.011, 163.172, and 313.778, RSMo, and to enact in lieu thereof three new sections relating to state funding for education.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 163.011, 163.172, and 313.778, RSMo, are repealed
2 and three new sections enacted in lieu thereof, to be known as sections 163.011,
3 163.172, and 313.778, to read as follows:

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for
3 teachers' and incidental funds for a school district as reported to the proper
4 officer of each county pursuant to section 164.011, RSMo;

5 (2) "Average daily attendance", the quotient or the sum of the quotients
6 obtained by dividing the total number of hours attended in a term by resident
7 pupils between the ages of five and twenty-one by the actual number of hours
8 school was in session in that term. To the average daily attendance of the
9 following school term shall be added the full-time equivalent average daily
10 attendance of summer school students. "Full-time equivalent average daily
11 attendance of summer school students" shall be computed by dividing the total
12 number of hours, except for physical education hours that do not count as credit
13 toward graduation for students in grades nine, ten, eleven, and twelve, attended
14 by all summer school pupils by the number of hours required in section 160.011,
15 RSMo, in the school term. For purposes of determining average daily attendance
16 under this subdivision, the term "resident pupil" shall include all children
17 between the ages of five and twenty-one who are residents of the school district
18 and who are attending kindergarten through grade twelve in such district. If a

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 child is attending school in a district other than the district of residence and the
20 child's parent is teaching in the school district or is a regular employee of the
21 school district which the child is attending, then such child shall be considered
22 a resident pupil of the school district which the child is attending for such period
23 of time when the district of residence is not otherwise liable for tuition. Average
24 daily attendance for students below the age of five years for which a school
25 district may receive state aid based on such attendance shall be computed as
26 regular school term attendance unless otherwise provided by law;

27 (3) "Current operating expenditures":

28 (a) For the fiscal year 2007 calculation, "current operating expenditures"
29 shall be calculated using data from fiscal year 2004 and shall be calculated as all
30 expenditures for instruction and support services except capital outlay and debt
31 service expenditures minus the revenue from federal categorical sources; food
32 service; student activities; categorical payments for transportation costs pursuant
33 to section 163.161; state reimbursements for early childhood special education;
34 the career ladder entitlement for the district, as provided for in sections 168.500
35 to 168.515, RSMo; the vocational education entitlement for the district, as
36 provided for in section 167.332, RSMo; and payments from other districts;

37 (b) In every fiscal year subsequent to fiscal year 2007, current operating
38 expenditures shall be the amount in paragraph (a) plus any increases in state
39 funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005,
40 not to exceed five percent, per recalculation, of the state revenue received by a
41 district in the 2004-05 school year from the foundation formula, line 14, gifted,
42 remedial reading, exceptional pupil aid, fair share, and free textbook payments
43 for any district from the first preceding calculation of the state adequacy target;

44 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect
45 subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling
46 shall not contain any tax levy for debt service;

47 (5) "Dollar-value modifier", an index of the relative purchasing power of
48 a dollar, calculated as one plus fifteen percent of the difference of the regional
49 wage ratio minus one, provided that the dollar value modifier shall not be applied
50 at a rate less than 1.0:

51 (a) "County wage per job", the total county wage and salary disbursements
52 divided by the total county wage and salary employment for each county and the
53 city of St. Louis as reported by the Bureau of Economic Analysis of the United
54 States Department of Commerce for the fourth year preceding the payment year;

55 (b) "Regional wage per job":

56 a. The total Missouri wage and salary disbursements of the metropolitan
57 area as defined by the Office of Management and Budget divided by the total
58 Missouri metropolitan wage and salary employment for the metropolitan area for
59 the county signified in the school district number or the city of St. Louis, as
60 reported by the Bureau of Economic Analysis of the United States Department
61 of Commerce for the fourth year preceding the payment year and recalculated
62 upon every decennial census to incorporate counties that are newly added to the
63 description of metropolitan areas; or if no such metropolitan area is established,
64 then:

65 b. The total Missouri wage and salary disbursements of the micropolitan
66 area as defined by the Office of Management and Budget divided by the total
67 Missouri micropolitan wage and salary employment for the micropolitan area for
68 the county signified in the school district number, as reported by the Bureau of
69 Economic Analysis of the United States Department of Commerce for the fourth
70 year preceding the payment year, if a micropolitan area for such county has been
71 established and recalculated upon every decennial census to incorporate counties
72 that are newly added to the description of micropolitan areas; or

73 c. If a county is not part of a metropolitan or micropolitan area as
74 established by the Office of Management and Budget, then the county wage per
75 job, as defined in paragraph (a) of this subdivision, shall be used for the school
76 district, as signified by the school district number;

77 (c) "Regional wage ratio", the ratio of the regional wage per job divided by
78 the state median wage per job;

79 (d) "State median wage per job", the fifty-eighth highest county wage per
80 job;

81 (6) "Free and reduced lunch pupil count", the number of pupils eligible for
82 free and reduced lunch on the last Wednesday in January for the preceding school
83 year who were enrolled as students of the district, as approved by the department
84 in accordance with applicable federal regulations;

85 (7) "Free and reduced lunch threshold" shall be calculated by dividing the
86 total free and reduced lunch pupil count of every performance district that falls
87 entirely above the bottom five percent and entirely below the top five percent of
88 average daily attendance, when such districts are rank-ordered based on their
89 current operating expenditures per average daily attendance, by the total average
90 daily attendance of all included performance districts;

91 (8) "Limited English proficiency pupil count", the number in the preceding
92 school year of pupils aged three through twenty-one enrolled or preparing to
93 enroll in an elementary school or secondary school who were not born in the
94 United States or whose native language is a language other than English or are
95 Native American or Alaskan native, or a native resident of the outlying areas,
96 and come from an environment where a language other than English has had a
97 significant impact on such individuals' level of English language proficiency, or
98 are migratory, whose native language is a language other than English, and who
99 come from an environment where a language other than English is dominant; and
100 have difficulties in speaking, reading, writing, or understanding the English
101 language sufficient to deny such individuals the ability to meet the state's
102 proficient level of achievement on state assessments described in Public Law
103 107-10, the ability to achieve successfully in classrooms where the language of
104 instruction is English, or the opportunity to participate fully in society;

105 (9) "Limited English proficiency threshold" shall be calculated by dividing
106 the total limited English proficiency pupil count of every performance district that
107 falls entirely above the bottom five percent and entirely below the top five percent
108 of average daily attendance, when such districts are rank-ordered based on their
109 current operating expenditures per average daily attendance, by the total average
110 daily attendance of all included performance districts;

111 (10) "Local effort":

112 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as
113 the equalized assessed valuation of the property of a school district in calendar
114 year 2004 divided by one hundred and multiplied by the performance levy less the
115 percentage retained by the county assessor and collector plus one hundred
116 percent of the amount received in fiscal year 2005 for school purposes from
117 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from
118 state-assessed railroad and utility tax, one hundred percent of the amount
119 received for school purposes pursuant to the merchants' and manufacturers' taxes
120 under sections 150.010 to 150.370, RSMo, one hundred percent of the amounts
121 received for school purposes from federal properties under sections 12.070 and
122 12.080, RSMo, except when such amounts are used in the calculation of federal
123 impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
124 received for school purposes from the school district trust fund under section
125 163.087, and one hundred percent of any local earnings or income taxes received
126 by the district for school purposes. Under this paragraph, for a special district

127 established under sections 162.815 to 162.940, RSMo, in a county with a charter
128 form of government and with more than one million inhabitants, a tax levy of zero
129 shall be utilized in lieu of the performance levy for the special school district;

130 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the
131 amount calculated under paragraph (a) of this subdivision plus any increase in
132 the amount received for school purposes from fines. If a district's assessed
133 valuation has decreased subsequent to the calculation outlined in paragraph (a)
134 of this subdivision, the district's local effort shall be calculated using the district's
135 current assessed valuation in lieu of the assessed valuation utilized in calculation
136 outlined in paragraph (a) of this subdivision;

137 (11) "Membership" shall be the average of:

138 (a) The number of resident full-time students and the full-time equivalent
139 number of part-time students who were enrolled in the public schools of the
140 district on the last Wednesday in September of the previous year and who were
141 in attendance one day or more during the preceding ten school days; and

142 (b) The number of resident full-time students and the full-time equivalent
143 number of part-time students who were enrolled in the public schools of the
144 district on the last Wednesday in January of the previous year and who were in
145 attendance one day or more during the preceding ten school days, plus the
146 full-time equivalent number of summer school pupils. "Full-time equivalent
147 number of part-time students" is determined by dividing the total number of
148 hours for which all part-time students are enrolled by the number of hours in the
149 school term. "Full-time equivalent number of summer school pupils" is
150 determined by dividing the total number of hours for which all summer school
151 pupils were enrolled by the number of hours required pursuant to section
152 160.011, RSMo, in the school term. Only students eligible to be counted for
153 average daily attendance shall be counted for membership;

154 (12) "Operating levy for school purposes", the sum of tax rates levied for
155 teachers' and incidental funds plus the operating levy or sales tax equivalent
156 pursuant to section 162.1100, RSMo, of any transitional school district containing
157 the school district, in the payment year, not including any equalized operating
158 levy for school purposes levied by a special school district in which the district is
159 located;

160 (13) "Performance district", any district that has met all performance
161 standards and indicators as established by the department of elementary and
162 secondary education for purposes of accreditation under section 161.092, RSMo,

163 and as reported on the final annual performance report for that district each year;

164 (14) "Performance levy", three dollars and forty-three cents;

165 (15) "School purposes" pertains to teachers' and incidental funds;

166 (16) "Special education pupil count", the number of public school students

167 with a current individualized education program and receiving services from the

168 resident district as of December first of the preceding school year, except for

169 special education services provided through a school district established under

170 sections 162.815 to 162.940, RSMo, in a county with a charter form of government

171 and with more than one million inhabitants, in which case the sum of the

172 students in each district within the county exceeding the special education

173 threshold of each respective district within the county shall be counted within the

174 special district and not in the district of residence for purposes of distributing the

175 state aid derived from the special education pupil count;

176 (17) "Special education threshold" shall be calculated by dividing the total

177 special education pupil count of every performance district that falls entirely

178 above the bottom five percent and entirely below the top five percent of average

179 daily attendance, when such districts are rank-ordered based on their current

180 operating expenditures per average daily attendance, by the total average daily

181 attendance of all included performance districts;

182 (18) "State adequacy target", the sum of the current operating

183 expenditures of every performance district that falls entirely above the bottom

184 five percent and entirely below the top five percent of average daily attendance,

185 when such districts are rank-ordered based on their current operating

186 expenditures per average daily attendance, divided by the total average daily

187 attendance of all included performance districts [plus the total amount of funds

188 placed in the schools first elementary and secondary education improvement fund

189 in the preceding fiscal year divided by the total average daily attendance of all

190 school districts for the preceding fiscal year]. The department of elementary and

191 secondary education shall first calculate the state adequacy target for fiscal year

192 2007 and recalculate the state adequacy target every two years using the most

193 current available data[; provided that the state adequacy target shall be

194 recalculated every year to reflect the per-pupil amount of funds placed in the

195 schools first elementary and secondary education improvement fund in the

196 preceding fiscal year]. The recalculation shall never result in a decrease from the

197 previous state adequacy target amount. Should a recalculation result in an

198 increase in the state adequacy target amount, fifty percent of that increase shall

199 be included in the state adequacy target amount in the year of recalculation, and
200 fifty percent of that increase shall be included in the state adequacy target
201 amount in the subsequent year. The state adequacy target may be adjusted to
202 accommodate available appropriations;

203 (19) "Teacher", any teacher, teacher-secretary, substitute teacher,
204 supervisor, principal, supervising principal, superintendent or assistant
205 superintendent, school nurse, social worker, counselor or librarian who shall,
206 regularly, teach or be employed for no higher than grade twelve more than
207 one-half time in the public schools and who is certified under the laws governing
208 the certification of teachers in Missouri;

209 (20) "Weighted average daily attendance", the average daily attendance
210 plus the product of twenty-five hundredths multiplied by the free and reduced
211 lunch pupil count that exceeds the free and reduced lunch threshold, plus the
212 product of seventy-five hundredths multiplied by the number of special education
213 pupil count that exceeds the special education threshold, and plus the product of
214 six-tenths multiplied by the number of limited English proficiency pupil count
215 that exceeds the limited English proficiency threshold. For special districts
216 established under sections 162.815 to 162.940, RSMo, in a county with a charter
217 form of government and with more than one million inhabitants, weighted
218 average daily attendance shall be the average daily attendance plus the product
219 of twenty-five hundredths multiplied by the free and reduced lunch pupil count
220 that exceeds the free and reduced lunch threshold, plus the product of
221 seventy-five hundredths multiplied by the sum of the special education pupil
222 count that exceeds the threshold for each county district, plus the product of
223 six-tenths multiplied by the limited English proficiency pupil count that exceeds
224 the limited English proficiency threshold. None of the districts comprising a
225 special district established under sections 162.815 to 162.940, RSMo, in a county
226 with a charter form of government and with more than one million inhabitants,
227 shall use any special education pupil count in calculating their weighted average
228 daily attendance.

163.172. 1. [In school year 1994-95 and thereafter until school year
2 2006-07, the minimum teacher's salary shall be eighteen thousand
3 dollars. Beginning in school year 2006-07, the minimum teacher's salary shall
4 be twenty-two thousand dollars; in school year 2007-08, the minimum teacher's
5 salary shall be twenty-three thousand dollars; in school year 2008-09, the
6 minimum teacher's salary shall be twenty-four thousand dollars; in school year

7 2009-10 and thereafter, the minimum teacher's salary shall be twenty-five
8 thousand dollars. Beginning in the school year 1996-97 until school year 2006-07,
9 for any full-time teacher with a master's degree and at least ten years' teaching
10 experience in a public school or combination of public schools, the minimum
11 salary shall be twenty-four thousand dollars. Beginning in the school year
12 2006-07, for any full-time teacher with a master's degree in an academic teaching
13 field and at least ten years' teaching experience in a public school or combination
14 of public schools, the minimum salary shall be thirty thousand dollars; in the
15 2007-08 school year such minimum salary shall be thirty-one thousand dollars;
16 in the 2008-09 school year such minimum salary shall be thirty-two thousand
17 dollars; and in the 2009-10 school year such minimum salary shall be thirty-three
18 thousand dollars.

19 2. Beginning with the budget requests for fiscal year 1991,] **As used in**
20 **this section, the following terms shall mean:**

21 (1) **"Full-time", a teacher working under school district contract**
22 **or for a state school for the severely disabled, state school for the deaf,**
23 **or state school for the blind for all school days and hours eligible for**
24 **attendance of students;**

25 (2) **"Minimum salary supplement", the difference between the**
26 **school district's salary schedule and the minimum salary set out in**
27 **subdivision (1) of subsection 4 of this section, based on years of**
28 **teaching experience and the most advanced academic degree held by**
29 **the teacher;**

30 (3) **"Regular school term", a minimum of one hundred seventy-**
31 **four days and one thousand forty-four hours of pupil attendance**
32 **possible for students;**

33 (4) **"Salary", the salary amount which appears on the teacher's**
34 **contract for the regular school term. Such term does not include**
35 **supplements for extra duties, summer school, career ladder, or**
36 **extensions of the contract year. The minimum salary supplement shall**
37 **be included in the calculation of "final average salary" under**
38 **subdivision (8) of section 169.010, RSMo;**

39 (5) **"Teacher", all certificated school district personnel who are**
40 **eligible for tenure and are paid pursuant to the school district teacher**
41 **salary schedule, including but not limited to teachers, librarians,**
42 **counselors, and career education instructors.**

43 2. There is hereby established the "Minimum Salary for Teachers
 44 Program". Beginning with the 2010-2011 school year, money from the
 45 schools first elementary and secondary education improvement fund,
 46 as identified in section 313.778, RSMo, shall be transferred to the
 47 minimum salary fund for teachers established in subsection 3 of this
 48 section for the purpose of paying public school teacher minimum salary
 49 supplements in those districts meeting the qualifications established in
 50 subsection 4 of this section. A participating school district shall be
 51 responsible only for the contracted amount of a teacher's salary. If the
 52 money in the fund is insufficient to pay the total cost of all salary
 53 supplements, the minimum salary amounts of subsection 4 of this
 54 section shall be prorated until the amount appropriated is sufficient to
 55 make the payments to all participating school districts.

56 3. There is hereby created in the state treasury the "Minimum
 57 Salary Fund for Teachers" to fund the minimum teacher salaries
 58 provided for in this section. The state treasurer shall be custodian of
 59 the fund. In accordance with sections 30.170 and 30.180, RSMo, the
 60 state treasurer may approve disbursements from the fund. Upon
 61 appropriation, money in the fund shall be used solely for the
 62 administration of this section. Notwithstanding the provisions of
 63 section 33.080, RSMo, to the contrary, any moneys remaining in the
 64 fund at the end of the biennium shall not revert to the credit of the
 65 general revenue fund. The state treasurer shall invest moneys in the
 66 fund in the same manner as other funds are invested. Any interest and
 67 moneys earned on such investments shall be credited to the fund.

68 4. To qualify to begin receiving funds under this section, a school
 69 district shall complete an application as prepared by the department
 70 of elementary and secondary education and shall do the following:

71 (1) Regardless of where a teacher is placed on a local salary
 72 schedule, recognize all years of teacher experience, including but not
 73 limited to employment in out-of-state schools, private schools, and
 74 public charter schools and apply the corresponding minimum salary
 75 level to a teacher's years of experience and education level:

76 Years of Experience	Bachelors	Masters
77 1-3	\$31,000	\$33,000
78 4-6	\$32,500	\$34,500
79 7-9	\$34,000	\$36,000

80	10-12	\$35,500	\$37,500
81	13-15	\$37,000	\$39,000
82	16-18	\$38,500	\$40,500
83	19-21	\$40,000	\$42,000
84	22-24	\$41,500	\$43,500
85	25-27	\$43,000	\$45,000
86	28+	\$44,500	\$46,500

87 **(2) Be subject to a local effort requirement. The local effort shall**
 88 **be calculated based on the percentage of expenditures from the**
 89 **teachers and incidental funds attributable to the base salary,**
 90 **retirement, and health care costs of the teachers covered under the**
 91 **minimum salary supplement program. A district may vary from its**
 92 **local effort percentage based on its combined unrestricted fund balance**
 93 **as of June thirtieth of the previous year as follows:**

94	Fund Balance	Variance Allowed
95	75% or more	1%
96	74-50%	1.5%
97	50-30%	2%
98	30-20%	2.5%
99	20-15%	3%
100	15-10%	4%
101	Less than 10%	5%

102 **The department of elementary and secondary education shall deduct,**
 103 **in the next fiscal year, a corresponding dollar amount of the minimum**
 104 **salary supplement for a district that varies more than the allowable**
 105 **percentage from its local effort percentage.**

106 **5. Future increases in minimum salaries established under**
 107 **subsection 4 of this section shall be contingent upon decreases in total**
 108 **state payments to all districts made under subsection 4 of this section.**
 109 **In the second fiscal year following the fiscal year in which the state**
 110 **cost of funding the minimum salary for teachers program is eighty-five**
 111 **percent or less of the full funding cost for the first school year of the**
 112 **state funding of minimum salaries for teachers under subsection 4 of**
 113 **this section, the value of each level of minimum salary shall be**
 114 **increased by five hundred dollars.**

115 **6. The commissioner of education shall present to the appropriate**
 116 **committees of the general assembly information on the average Missouri teacher's**

117 salary, regional average salary data, and national average salary data.

118 [3.] 7. All school salary information shall be public information.

119 [4. As used in this section, the term "salary" shall be defined as the salary
120 figure which appears on the teacher's contract and as determined by the local
121 school district's basic salary schedule and does not include supplements for extra
122 duties.

123 5. The minimum salary for any fully certificated teacher employed on a
124 less than full-time basis by a school district, state school for the severely
125 handicapped, the Missouri School for the Deaf, or the Missouri School for the
126 Blind shall be prorated to reflect the amounts provided in subsection 1 of this
127 section.]

128 **8. The state board of education shall promulgate rules and**
129 **regulations as necessary for the implementation of this section. Any**
130 **rule or portion of a rule, as that term is defined in section 536.010,**
131 **RSMo, that is created under the authority delegated in this section**
132 **shall become effective only if it complies with and is subject to all of**
133 **the provisions of chapter 536, RSMo, and, if applicable, section 536.028,**
134 **RSMo. This section and chapter 536, RSMo, are nonseverable and if any**
135 **of the powers vested with the general assembly pursuant to chapter**
136 **536, RSMo, to review, to delay the effective date, or to disapprove and**
137 **annul a rule are subsequently held unconstitutional, then the grant of**
138 **rulemaking authority and any rule proposed or adopted after August**
139 **28, 2009, shall be invalid and void.**

313.778. 1. There is hereby created in the state treasury the "Schools
2 First Elementary and Secondary Education Improvement Fund", which shall
3 consist of taxes on excursion gambling boat proceeds as provided in subsection 2
4 of section 160.534, RSMo, to be used solely for the purpose of increasing funding
5 for elementary and secondary education. The schools first elementary and
6 secondary education improvement fund shall be state revenues collected from
7 gaming activities for purposes of article III, section 39(d) of the
8 constitution. Moneys in the schools first elementary and secondary education
9 improvement fund shall be kept separate from the general revenue fund [as well
10 as any other funds or accounts in the state treasury]. The state treasurer shall
11 be custodian of the fund and may approve disbursements from the fund in
12 accordance with sections 30.170 and 30.180, RSMo. Notwithstanding the
13 provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the

14 fund at the end of the biennium shall not revert to the credit of the general
15 revenue fund. The state treasurer shall invest moneys in the fund in the same
16 manner as other funds are invested. Any interest and moneys earned on such
17 investments shall be credited to the fund.

18 **2. Moneys in the fund shall be distributed in the following**
19 **manner:**

20 **(1) An amount sufficient to adequately fund the provisions of the**
21 **minimum salaries for teachers program in section 163.172, RSMo, shall**
22 **be transferred annually to the minimum salary fund for teachers;**

23 **(2) Any moneys remaining in the fund after the transfer**
24 **described in subdivision (1) of this subsection shall be evenly divided**
25 **and distributed to:**

26 **(a) The department of elementary and secondary education to be**
27 **used for the Missouri preschool project; and**

28 **(b) The department of elementary and secondary education, to**
29 **be distributed to each school district in the state for transportation**
30 **costs in the same ratio that the weighted average daily attendance in**
31 **the district bears to the total weighted average daily attendance in all**
32 **such school districts for the preceding year, except as otherwise**
33 **provided in section 163.031, RSMo.**

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